



## Department of Housing and Community Development

# THE RISK MITIGATION AND HOUSING DISPLACEMENT FUND

### OVERVIEW

In an effort to encourage landlord participation in Orange County rental assistance and other subsidy programs, assist with housing stabilization and mitigate displacement of low- and very low-income residents, and prevent homelessness, the Orange County Board of County Commissioners (BOCC) created the pilot Risk Mitigation and Housing Displacement Fund. The Fund, which is administered by the Orange County Department of Housing and Community Development Department (OCHCD), provides assistance in three (3) activity areas:

- **Risk Mitigation** (for landlords)
- **Emergency Housing Assistance** (assistance for security deposits, utility connections, and rental payments)
- **Displacement Mitigation** (due to an urgent community need such as manufactured home park closures and natural disasters)

The Fund was initially capitalized with \$67,778 in the FY 2017-18 budget. In FY 2018-2019, the BOCC allocated \$75,000 to the Fund. In FY 2019-2020 and in subsequent years, the BOCC will replenish the fund to maintain the \$75,000 level, based on availability of funds. OCHCD reserves the right, based on need and without prior notice, to shift funds from one activity area to another.

Financial assistance under the Risk Mitigation and Housing Stabilization activity areas is based on availability of funds and are provided on a first come, first served basis. To be eligible for assistance under the Displacement Mitigation activity area, an individual or family must be participating in the Displacement Mitigation Assistance Program (D-MAP) or be referred based on another urgent community need, such as natural disaster or closure of naturally occurring affordable housing complexes. The following paragraphs provide additional information on each activity areas.

### RISK MITIGATION

Assistance under this area is available to landlords participating in the following voucher programs:

- Housing Choice Voucher Program (HCV)
- Permanent Supportive Housing Voucher (PSHV)
- Supportive Services for Veterans and their Families (SSVF)
- HUD-VA Supportive Housing (HUD-VASH)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Key Rental Assistance (Key)
- Transitions to Community Living Voucher (TLCV)
- Any Rapid Re-Housing program

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OCHCD reserves the right, based on need and without prior notice, to provide assistance to landlords participating in other subsidy programs.

For damages less than \$10,000, assistance may cover costs over and above any insurance proceeds the landlord may receive. The landlord requesting assistance must inform the County of any insurance proceeds received prior to receiving funds from the County. For damages above \$10,000, assistance may be granted for those items not covered by insurance.

Assistance should only be requested when repair costs are more than the security deposit and cannot be related to general maintenance items. Landlords must submit the attached application to be considered for funding. The maximum amount of assistance will not exceed the lesser of \$3,500 or 50% of the total repair cost.

The landlord must allow OCHCD's Rehabilitation Specialists to document the damage, provide specifications for completion of repairs, and inspect the completed work before the funds are disbursed. If the repairs necessitate involvement of the County's Permitting and Inspections Division, all work must pass the required inspections according to Building Code and a Certificate of Occupancy must be issued, as applicable. A copy of the passed inspection reports and the Certificate of Occupancy, as applicable, must be forwarded to OCHCD.

Should the landlord also seek relief for damages through the judicial system and recoup any monies, OCHCD should be reimbursed for the monies paid by the Fund.

### **EMERGENCY HOUSING ASSISTANCE**

Assistance under this activity area is available to households in Orange County that (1) earn no more than 60% of the area median income (AMI), (2) can demonstrate urgent need for housing assistance, and (3) do not have adequate savings to cover their housing costs.

To be referred for assistance, households must either:

- Be assessed through Coordinated Entry as at risk of or currently experiencing homelessness and who have identified safe, decent, and affordable housing
- OR**
- Referred by various Orange County Departments and local service providers (e.g., Aging, Health/Family Success Alliance, Criminal Justice Resource and Social Services, Community Empowerment Fund, Interfaith Council, Compass Center, etc.)

*\* Preference will be given to applicants earning under 50% of AMI*

The most current income limits for Orange County are below:

	Household Size							
	1	2	3	4	5	6	7	8
<b>30% AMI</b>	19,100	21,800	24,550	27,250	30,680	35,160	39,640	44,120
<b>50% AMI</b>	31,850	36,400	40,950	45,450	49,100	52,750	56,400	60,000
<b>60% AMI</b>	38,220	43,680	49,140	54,540	58,920	63,084	67,680	72,000

*Source: 2020 HUD Income Limits*

### **Eligible Costs and Maximum Assistance**

Emergency Housing Assistance may pay for security deposits, utility connections and arrears, rental payments and arrears, and, in certain emergency situations and upon OCHCD approval, other urgent housing-related costs (e.g., short-term stays in hotels, moving costs), especially for hard-to-house individuals and families, such as large families with children, seniors, people with disabilities, veterans, and people with justice system involvement. Emergency Housing Assistance may not duplicate any assistance provided by any other program.

Emergency Housing Assistance grants are one-time assistance and are capped at \$2,000 per household.

### **Applying for Emergency Housing Assistance**

Referrals and individual applications for assistance should include:

- A written request describing:
  - The urgent need for assistance;
  - Pertinent background information on the client and other household members;
  - Information on the identified housing unit or complex (name of the complex, if applicable, and address); and
  - Name and address of the landlord or property manager to whom the check for assistance should be made payable (whenever possible, a W-9 for the landlord or property manager should be included), as applicable.
- Documentation verifying total gross household income and savings (see the Emergency Housing Assistance Application for a checklist of the acceptable source documentation).
- Copy of the lease or other documentation from the landlord showing the client has been approved to live at the identified unit and amount of funds needed, as applicable.
- Statement or invoice from utility provider, as applicable.

### **Reimbursement to Referring Agencies**

In situations when assistance is required urgently, referring agencies may use their own funds assist clients, and OCHCD may reimburse referring agencies for these expenses. Applicants must first be approved for assistance by OCHCD and referring agencies must receive prior approval from OCHCD in order to receive reimbursement. Only eligible costs for clients approved for assistance by OCHCD will be eligible for reimbursement.

### **DISPLACEMENT MITIGATION**

Assistance under this activity area is only available when an urgent community housing need and displacement of residents occurs, such as a manufactured home park closure or natural disaster. Funds may be used to provide direct assistance to affected individuals and families at or below eighty percent (80%) of the Area Median Income for Orange County. If the urgent community need relates to manufactured home park closures, persons requesting assistance must be participating in the County's Displacement Mitigation Assistance Program (D-MAP). Available assistance includes payment of security deposits, utility connections, etc.

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This document is an overview of the Risk Mitigation and Housing Displacement Fund. Interested persons and entities should contact OCHCD for more information. Orange County reserves the right to amend, revise, and/or waive the program requirements, specified assistance, and activity areas based on community needs and budgetary and personnel constraints.